

2002 MICHIGAN Adjustments of Gains and Losses From Sales of Business Property

2002
MI-4797

Issued under authority of the Income Tax Act of 1967.

Reported on U.S. 4797, see instructions on page 2. To be filed with MI-1040 or MI-1041 if you filed U.S. 4797. **Round all money items to whole dollars.**

| | |
|---|--|
| Primary Filer's First Name, Middle Initial, and Last Name | Primary Filer's Social Security Number |
| If a Joint Return, Spouse's First Name, Middle Initial, and Last Name | Spouse's Social Security Number |

PART 1: Sales or Exchanges of Property Used in Trade or Business and Involuntary Conversion From Other Than Casualty or Theft - Property Held More Than 1 Year.

1. Enter the gross proceeds from the sale or exchange of real estate reported to you as reported on U.S. 4797.

| A. Description of Property | B. Date acquired (mo./day/yr.) | C. Date sold (mo./day/yr.) | D. Federal Gain - Loss from column g of U.S. 4797 | E. Loss from column D subject to Michigan income tax | F. Gain from column D subject to Michigan income tax |
|---|--------------------------------|----------------------------|---|--|--|
| 2. | | | | | |
| 3. Gain, if any, from U.S. 4684, line 39..... | | | | | |
| 4. Section 1231 gain from installment sales from U.S. 6252, line 26 or 37 | | | | | |
| 5. Section 1231 gain or (loss) from like-kind exchanges from U.S. 8824 | | | | | |
| 6. Gain, if any, from Part 3, line 26, from other than casualty or theft | | | | | |
| 7. Add lines 2 through 6 in columns D, E and F | | | | () | |

7a. Combine line 7 columns E and F 7a.

- If line 7, column D, or line 7a is zero or a loss, enter the amount on line 11 below and skip lines 8 and 9.
- If line 7, column D, or line 7a is a gain, enter the amount as a long-term capital gain on MI-1040D or MI-1041D, if you had no prior year section 1231 losses.

| | | |
|---|--|--|
| 8. Non-recaptured net section 1231 losses from prior years | | |
| 9. Subtract line 8, column D, from line 7, column D, and subtract line 8, column F, from 7a. If zero or less, enter "0" | | |

- If line 9 is zero, enter the amount from line 7, column D, or line 7a on line 12 below.
- If line 9 is more than zero, enter the amount from line 8 on line 12 below, and enter the amount from line 9 as a long-term capital gain on MI-1040D or MI-1041D.

PART 2: Ordinary Gains and Losses

10. Ordinary gains and losses not included on lines 11 through 17 (include property held 1 year or less).

| | | |
|---|-----|--|
| 11. Loss, if any, from line 7, column D, or line 7a | | |
| 12. Gain, if any, from line 7 (column D), line 7a, or amount from line 8 | | |
| 13. Gain, if any, from Part 3, line 25 | | |
| 14. Net gain or (loss) from U.S. 4684, lines 31 and 38a | | |
| 15. Ordinary gain from installment sales from U.S. 6252, lines 25 or 36 | | |
| 16. Ordinary gain or (loss) from like-kind exchanges from U.S. 8824 | | |
| 17. Recapture of section 179 expense deduction for partners and S-corporation shareholders from property dispositions | | |
| 18. Add lines 10 through 17 in columns D, E and F | () | |

18a. Combine line 18, columns E and F. Enter gain or (loss) here 18a.

(1) For all except individual returns: Enter gain or (loss) from line 18a on return being filed.

18b. For individual returns:

- (1) If the loss on line 11 includes a loss from U.S. 4684, line 35, column (b) (ii), enter that part of the loss here
- (2) Redetermine the gain or (loss) on line 18, excluding the loss (if any) on line 18b (1). Enter here

If the federal amount is a gain, enter on MI-1040 Schedule 1, line 10. If a loss, enter on MI-1040 Schedule 1, line 5.
If the Michigan amount is a gain, enter on MI-1040 Schedule 1, line 3. If a loss, enter on MI-1040 Schedule 1, line 18.

PART 3: Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254 and 1255

| 19. Description of Sections 1245, 1250, 1252, 1254 and 1255 property | Date acquired (mo./day/yr.) | Date sold (mo./day/yr.) | % Subject to Michigan Tax Divide number of months after 10-1-67 by total number of months |
|--|--------------------------------|----------------------------|--|
| (A) | | | |
| (B) | | | |
| (C) | | | |
| (D) | | | |

Relate lines 19(A) through 19(D) to these columns:

| | Property (A) | Property (B) | Property (C) | Property (D) | TOTAL |
|--|-----------------|-----------------|-----------------|-----------------|-------|
| 20. Enter the amounts from U.S. 4797, line 24 | | | | | |
| 21. Enter here portion of gain subject to Michigan tax. (Multiply gain on line 20 by percentage computed on line 19.) | | | | | |
| 22. Enter from U.S. 4797 the total of lines 25(b), 26(g), 27(c), 28(b) and 29(b) in columns A through D | | | | | |
| 23. Enter here portion of gain subject to Michigan tax. (Multiply gain on line 22 by percentage computed on line 19.) | | | | | |

| | G. Federal | H. Michigan |
|---|------------|-------------|
| 24. Enter in column G the total from line 20; enter in column H the total from line 21 | | |
| 25. Enter in column G the total from line 22 and carry to line 13, column D. Enter in column H the total from line 23 and carry to line 13, column F | | |
| 26. Subtract line 25 from line 24. Enter the portion in columns G and H from other than casualty or theft on Part 1, line 6, columns D and F | | |

INSTRUCTIONS FOR COMPLETING FORM MI-4797

File this form if you have gains from the disposition of property acquired prior to October 1, 1967, or if you have gains or losses from property subject to allocation and apportionment provisions.

Lines not listed are explained on the form.

The purpose of this form is to exclude from your Michigan taxable income gains attributed to periods before October 1, 1967. To compute the portion subject to Michigan income tax, multiply the total gain by a percentage computed by dividing the number of months held after September 30, 1967 by the total number of months held. For the purpose of this computation, the first month may be excluded if acquisition took place after the 15th of the month, and the last month may be excluded if disposal took place before the 15th.

Line 2. Enter on columns A, B, C, and D the corresponding information from your U.S. 4797. For columns E and F enter the gain or loss subject to Michigan income tax.

Line 3. Enter in column D any gain from U.S. 4684, line 39. In column F enter the gain subject to Michigan income tax. If the gain was realized from more than one casualty or theft and some or all of the property was acquired prior to October 1, 1967, attach a copy of U.S. 4684 and a schedule showing the computation of gain subject to Michigan income tax.

Line 6. Enter in column D the gain from line 26, column G. Enter in column F the gain from line 26, column H.

Line 10. Enter other ordinary gains and losses from your U.S. 4797. Enter federal gain or loss in column D. Enter portion of gain or loss subject to Michigan income tax in columns E or F.

Line 13. Enter in column D the amount from line 25, column G. Enter in column F the amount from line 25, column H.

Line 14. Enter gain or loss from U.S. 4684, lines 31 and 38a. If the gain or loss was from more than one casualty or theft, attach a copy of U.S. 4684 and a schedule showing the computation of gain or loss subject to Michigan income tax.

Line 20. Enter the total gain for each property from line 24 of your U.S. 4797 and enter the total gain for all properties in the total column.

Attach this form to your MI-1040 or MI-1041.

Also attach a copy of your U.S. 4797 to your return.